

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-060-C - ORDER NO. 94-659 ✓
JULY 13, 1994

IN RE: Application of Unidial Incorporated) ORDER
for a Certificate of Public Convenience) APPROVING
and Necessity to Provide Intrastate Resold) CERTIFICATE
Telecommunications Services within the)
State of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Unidial Incorporated (Unidial or the Company or the Applicant) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (1976) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Unidial to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Unidial's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Unidial complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to

Intervene were filed by Southern Bell Telephone and Telegraph Company (Southern Bell)¹ and the South Carolina Department of Consumer Affairs (the Consumer Advocate). By letter dated July 11, 1994, the Consumer Advocate informed the Commission that it is satisfied that the services offered by the Applicant are consistent with services approved by the Commission in prior dockets, and, upon amendment to several tariff provisions as agreed to by Unidial, the Consumer Advocate does not wish to participate in any hearing scheduled in this matter. The Commission treats the Consumer Advocate's letter as a request to withdraw and approves the request.

Bruce Widener, Vice President of Regulatory Affairs and Product Development for the Company, submitted verified testimony on behalf of Unidial. Mr. Widener explained Unidial's request for approval to provide telecommunications services, including 1+ direct dialing, in-bound 800 calling, and travel card services, as a switchless reseller. Mr. Widener testified that Unidial's underlying carrier is currently WilTel. According to its Application, Unidial does not intend to offer operator assisted calling.

Mr. Widener also testified that Unidial has the necessary managerial, technical, and financial resources and ability to provide the services for which authority is sought. By assurances

1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 94-597, dated June 22, 1994.

referred to in a letter by Southern Bell dated May 24, 1994, Unidial agrees to abide by the Commission's Rules and Regulations. Mr. Widener also testified that the issuance of a Certificate of Public Convenience and Necessity to Unidial would be in the public interest as it will increase competition, thereby ensuring a wide variety of services and prices, and promoting efficient use of the network.

After full consideration of the applicable law, the Company's Application, and the testimony presented by the Company, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Unidial is incorporated under the laws of the State of Kentucky, and is authorized to transact business in the State of South Carolina as a foreign corporation by the Secretary of State.
2. Unidial operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.
3. Unidial has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Unidial to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized

for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Unidial for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Unidial shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Unidial shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Unidial shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days

of the date of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Unidial is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

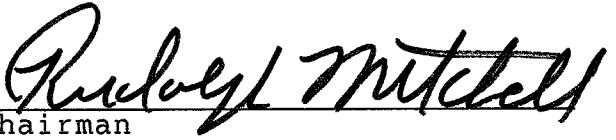
7. Unidial shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. Unidial shall notify the Commission, in writing, of the identity of its underlying carrier(s). If Unidial changes underlying carriers, it shall notify the Commission in writing.

8. Unidial shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. Further, Unidial shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION.


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).